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## Description of the Business

The name of this organization is Chung's Boutique & Accessories. Chung's Boutique & Accessories will be producing the latest and most fashionable clothes and accessories on the market. Chung's Boutique & Accessories will also sell female beauty products. Chung's Boutique & Accessories is a partnership business owned by mother and two daughters.

The mission of this business is to create the best clothing and jewelry that money can buy thereby allowing consumers to choose from a variety of the best possible clothes and accessories.

## Justification of Location

Chung's Boutique & Accessories will be located at Lane Plaza, Kingston 6.

This location was chosen because:

- It is in a safe environment
- It has a reasonable cost
- It is surrounded by a popular supermarket
- It is surrounded by many apartments and complex
- It is a spacious location
- There is no other business of the same nature available near location

The reasons should help Chung's Boutique & Accessories to have as many customers as possible to earned maximum revenues.

## Source of Fixed and Working Capital

The necessary funds required to start the business will be from the owner's personal saving plus a loan from family members. A total amount of JA\$20,000,000.00 will be used to start the business. The partners will contribute equal amount of \$5 million. \$10 million will be spent on acquiring fixed capital such as:

- Computer
- Sewing machines
- Cash Register
- Operation machines

\$10 million will be spent on working capital. Which will consists of those items (expenses) that are needed for the day to day running of the business. The operating expenses of the business include:

- ❖ The electricity bill
- ❖ The water rate
- ❖ The telephone bill
- ❖ Wages
- ❖ Raw material (Cloths and beans for jewelry)

## Selection of Labour

The day to day activities of the business will be carried out by a set of skilled, semi skilled and unskilled workers. The skilled staff will consist of a managing director, production manager, accountant, machine operators and cashier. The semi skilled staff will consist of, button sewers, sales clerk who will also deal with the store. While the unskilled staff will consist of the janitor who will be responsible for keeping the premise's clean.

The managing director's role deals with the hiring and firing of staff, as well as their training. The managing director will also handle the creation and implementation of store promotions.

The production manager's role is to coordinate the planning of the production activities which include ensuring that the materials are purchased, properly stored and are available when needed.

The accountant deals with the accounts and all the financial information of the business. The accountant is responsible for evaluating records provided by the book keepers in order to establish whether the business is progressing or not, and where it lacks improvement. The Accountant records financial transactions that take place within the company and prepare financial statements. The accountant keeps track of profit and loss accounts, receipts, taxes and fiscal measures in order to create accurate records of money that goes through the company.

## Role of the Entrepreneur

An entrepreneur is a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk. An entrepreneur takes the risks and makes decision, enabling production to be carried out in anticipation of demand. It is the entrepreneur's role;

- 1 to conceptualize the business,
- 2 Plan in detail how the business will operate including the essential resources.
- 3 Organize the different business aspects ensuring that they coexist
- 4 Bear the risk of the business

The role of the entrepreneur of this business is to organize the activities of the business. The entrepreneur will ensure that the customers are satisfied with the service of the business and with the workers attitude towards them. The entrepreneurs will provide the funding, organize the factors of production, set the targets to be met and monitor what is being done to ensure that the goals of the organization are achieved. The entrepreneurs of this business will try to come up with new ways of completing old tasks and also with fresh ideas and techniques.

## Type of Production

The production of this business is manufacturing sector. The type of production and services that will be produced at Chung's Boutique & Accessories will cover fashion needs such as providing the latest and newest designer clothes and accessories for everyone at a reasonable cost.

## Level of Production

Chung's Boutique & Accessories has a domestic level of production. This business produces goods not only for individuals, family or community, but also for the local market.

## Quality Control Measures

The quality of a product that is being offered to consumers must be of a certain standard. It cannot violate any laws of exploitation and cannot be harmful to the consumer. Product quality is critical and can have a direct impact on the purchase rate of the organization's goods or services. It is also important in avoiding law suits. Considering these important facts, measures are usually taken optimum quality.

Quality control measures taken at Chung's Boutique & Accessories:

- ✓ The desired standards required were set.
- ✓ Specialized and skilled workers were put in their field to carry out the required standards.
- ✓ Inspectors inspected the goods and service to ensure they pass the requirements.
- ✓ The difference of the desired standards and the actual standards were compared.
- ✓ Actions were taken to correct/improve the differences in the desired and actual standards.



Chung's Boutique & Accessories will also ensure that customers' complaints are dealt with as soon as possible. This is so as personnel will be put in charge of customers complaints.

## Use of Technology

To streamline the efficiency of our manufacturing process Chung's Boutique & Accessories plans to use the latest in cutting edge technology. The latest office machines will also be utilized increasing worker efficiency and effectiveness.

The following technology will be used in the business:

- ✚ Computers
- ✚ Micros Point of sale System
- ✚ Telephones
- ✚ Computerize Cash Machines.

These will help in ensuring that the business is efficient and is able to meet consumers demand. The use of technology will also make it easier for Chung's Boutique & Accessories to carry out its operation.

## Linkages

Chung's Boutique & Accessories has linkage with different suppliers of its raw materials in China. This is so because it is cheaper to purchase these materials directly from China than from any other country. Also, the price for shipping plus the price for the material works out cheaper than any other place. The cosmetics for female are bought from American companies because it has the best quality and efficient cost. This type of linkage is forward as their finish product becomes Chung's Boutique & Accessories raw material.

## Potential for Growth

This organization has the potential for growth within the next one and a half to two years. The store will be expanded to have a storage room because many different items are favoured by the costumers. Instead of constantly shipping the items to the store it will be shipped in bulks and stored which costs less.

Chung's Boutique & Accessories plans to train its present staff and to employ more skilled staff. The business also plans to purchase more new and improved technology in order to improve quality and increase production. This will enable the business to make more profit as it will have more to offer.

The business also plans to expand its sales into other countries in the Caribbean. This will be done by having stores open in other countries in the Caribbean that stock the company's products.

## Government Regulations

Tax will be deducted from each employee's monthly pay and it will be handed over to the government. All the necessary taxes will be paid over to the government, such as GCT. The business will also abide by the factory

Act of Jamaica. No child labour will be employed. The vehicles for delivery will be checked every year to ensure they are in proper condition to drive on the road. The drivers of the delivery service will be supervised to ensure that they follow the rules of the road.

## Ethical Issues

Proper disposal and recycle area will be available for used and wasted material so that it will not affect the environment and neighbours. Security

measures will be taken to ensure the safety of the business, employees and customers.

The legality and statutory laws set by the bureau of standards and the ministry of labour will be followed. The business will not have any misleading advertising. This business wants more than anything to protect its name and to provide quality services. Any unethical activities will affect the business image and can therefore affect their profit.

## Reference

Essential Principles of Business for CSEC 3rd Edition by Dr. Alan Whitcomb  
with Macpherson Barnes